

## **MINUTES**

### **MONTANA HOUSE OF REPRESENTATIVES 57th LEGISLATURE - REGULAR SESSION JOINT APPROPRIATIONS SUBCOMMITTEE ON EDUCATION**

**Call to Order:** By **CHAIRMAN JOHN WITT**, on January 9, 2001 at 8.00 A.M., in Room 102 Capitol.

#### **ROLL CALL**

**Members Present:**

Rep. John Witt, Chairman (R)  
Sen. Ken Miller, Vice Chairman (R)  
Rep. Rosalie (Rosie) Buzzas (D)  
Sen. Greg Jergeson (D)  
Sen. Royal Johnson (R)  
Rep. Art Peterson (R)

**Members Excused:** None.

**Members Absent:** None.

**Staff Present:** Beckie Beckert-Graham, OBPP  
David Brown, Legislative Branch  
Amy Carlson, OBPP  
Pam Joehler, Legislative Branch  
Cayenna Johnson, Committee Secretary

**Please Note:** These are summary minutes. Testimony and discussion are paraphrased and condensed.

**Committee Business Summary:**

Hearing(s) & Date(s) Posted: Montana Arts Council  
Executive Action: None

**{Tape : 1; Side : A; Approx. Time Counter : 0; Comments : 8:05 am}**

#### **HEARING ON MONTANA ARTS COUNCIL**

**Dave Brown** handed out a combination version of the Legislative Budget Analysis of former Governor Racicot's with Governor-elect Martz's Executive Budget, comparing recommendations and requests.

**EXHIBIT(jeh06a01)****Proponents' Testimony:**

**Arlynn Fishbaugh** testified how the Montana Arts Council (MAC) was widely recognized as one of the most successful arts councils in the nation. Because MAC has done so much with so little in a large geographical area.

**EXHIBIT(jeh06a02)**

*{Tape : 1; Side : A; Approx. Time Counter : 10.0; Comments :  
Time: 8.15}*

**Laurel Wycoff, MAC Director of Programs**, discussed the two major goals of the MAC: 1) strengthening arts education and 2) strengthening arts driven economic development.

**Dick King**, from **Bear Paw Economic Development Corporation**, spoke about strengthening arts education for arts driven economic development. **Mr. King** pointed out that businesses are attracted to towns with "even a little" art and culture, because research indicates worker retention increases when arts are in the community. **Mr. King** also emphasized funding arts equally with heritage as Montana places high value on cultural heritage and skills in appreciating that heritage would make for an effective economic, as well as cultural asset. For a good economy, Montana arts are necessary.

**Gordon Morris, Montana Association of Counties**, presented Resolution 99-3 and reminded legislators that arts play a vital role in crime prevention.

**EXHIBIT(jeh06a03)**

**Lucy Stevenson** discussed a MAC grant awarded to Stevensville. Stevensville is typical of many Montana towns in that it is shifting between two different economies as a bedroom community of Missoula as well as a ranching community. The goal of Lone Rock School was to bring back the school as the center of the community. The initial grant from MAC contributed to many positive changes in Stevensville, such as the addition of a middle school and increasing community involvement. Many different community organizations were involved and these efforts brought back community members that were feeling disenfranchised. In 2000 Over \$7000 was raised in Stevensville multiple activities and this couldn't have happened without the initial grant from MAC.

**{Tape : 1; Side : A; Approx. Time Counter : 30}**

**Ms. Wycoff** then presented the following material:

**EXHIBIT(jeh06a04)**

This exhibit includes an economic impact study of rural economic partners and 80 Montana arts groups entitled, "Montana's Nonprofit Art Sector: a real economic seed bed" published in "Montana Business Quarterly," and the "State of the Arts" newsletter distributed all over Montana. Second **Ms. Wycoff** presented a video (funded by the National Endowment for the Arts) about why arts are central to Montana communities.

**{Tape : 1; Side : B; Approx. Time Counter : 1.5-8.9; Time 8:40-8:47 a.m.}**

**Carleen Lane** discussed four items on the original MAC submitted proposal funding money requested for developing an annual training institute for Montana arts boards, and for restoring one bi-monthly issue of "State of the Arts"

**Ralph Paulus**, a farmer in the Choteau area, testified one of the biggest problems Montana arts organizations are facing is difficult boards. **Mr. Paulus** supports funding for a directors leadership institute [DP 3] as an important step in developing arts and cultural heritage. He indicated the vitality of rural communities is based on boards. Without boards regional forces consolidate and local control fades.

**{Tape : 1; Side : B; Approx. Time Counter : 16.6}**

**REP. PETERSON** questioned costs involved in director's training, many colleges and universities perform these services free and training voluntary leadership seemed "murky". **Ms. Fishbaugh** explained MAC had done much research in the types and availability of training. Most of the requested funding to provide transportation for rural leadership to congregate for the training. The funding requested was only a portion of the costs, as Montana has over 250 arts organizations and with five members per board, at least \$15,000 would be needed for travel costs.

**Carol Novotne, MAC Council Member**, spoke in favor of funding the "State of the Arts" publication. As an independent artist, this publication is a "lifeline" or the "telephone to the farmer" linking artists all over Montana with resources, important events and other valuable information.

**{Tape : 1; Side : B; Approx. Time Counter : 28}**

**Ms. Fishbaugh** made a final request for funding both the restoration of the newsletter on the web and establishment of a Montana arts board's leadership institute. **Ms. Fishbaugh** reminded legislators allocations would be spent on Montanans and not supporting bureaucracies in Helena. In addition, the MAC policy is not to compete with the private sector. She also reminded legislators supporting the arts is a preventative measure rather than otherwise. The original MAC request was for \$2.5 million, and only \$49,000 was recommended in the executive budget. According to **Ms. Fishbaugh**, Montana is getting a lot in return for what it gives.

**Opponents' Testimony:** None.

**Mr. Brown** presented the combination version of the Legislative Budget Analysis of former Governor Racicot's with Governor-elect Martz's Executive Budget in Exhibit (1). **Mr. Brown** discussed the Present Law Adjustment (PLA) with emphasis on DP 1-Computer Equipment. Legislators may be interested in making this appropriation "one-time-only" to avoid movement of the server cost into the budget base. In addition, DP 3-New Technical Assistance was reduced by the Martz Administration from \$37,000 to \$24,500 and without funding to perform all services, the LFD recommends legislators request MAC research potential methods of generating revenue through the developments in DP 3.

**Questions from Committee Members and Responses:**

**SEN. JOHNSON** asked for clarification on the balance of interest earned on the total of the remaining 4 million dollars in the Cultural Trust. The Culture Trust Program is not an arts grant program although MAC serves as "bookkeeper" of the trust. About \$200,000 of the interest earned on the Cultural Trust is for running the Cultural Trust Program and about \$100,000 is used to help pay for the MAC Folk Life Program and Administration.

**CHAIRMAN WITT** asked for greater detail on the purchase of Virginia City. During the 1999 Session more than half of the original \$8 million dollar Cultural Trust (managed in part by the MAC) was allocated to the purchase of Virginia City. **SEN. JOHNSON** reported "it was a real holdup-they robbed the trust." [Nearly half of the general fund is supplied by HB 9, which constitutes the interest MAC would have collected before the purchase of Virginia City]. **V. CHAIR MILLER** also indicated the Legislature should take whatever action they can to replenish the funding for MAC. In addition, the General Fund has increased by about 27% from \$559,153 to \$712,434.

**REP. PETERSON** spoke about the consequences of MAC losing the federal arts appropriation, approximately \$70,000. **Ms. Fishbaugh** reported the National Endowment of the Arts just received an 8% increase, and MAC doesn't anticipate losing funds as long as MAC stays competitive nationally.

**CHAIRMAN WITT** asked for priorities from MAC in DP 3. Ms. Fishbaugh said the proposal that will have the most impact is the arts leadership institute because it will serve the most people.

*{Tape : 2; Side : A; Approx. Time Counter : 20.4; Comments : Time 9:50 a.m.}*

To **REP. PETERSON's** question regarding to response to the LFD comment of trying to generate revenue from DP 3-Business Technical Assistance, **Ms. Fishbaugh** explained that in 1997 when the MAC lost over 1 million in funds, MAC made those considerations but now has a policy of avoiding competition with the private sector. Since many artists are "barely hanging on with their fingernails, like most farmers . . .".

**SEN. JOHNSON** asked how MAC reviews the rural progress assessment. **Ms. Fishbaugh** responded that grant panels usually consist of three experts in the field, one out-of-state "objective" person and one or two legislators that provide specific questions and a conduct field work. Grants for less than \$1,000 are managed "in-house" by MAC by teleconference to reduce administrative costs. Arts Education grants are handled by **Ms. Wycoff** and can be applied for over the phone.

*{Tape : 2; Side : A; Approx. Time Counter : 28.4; Time 9:55 a.m.}*

**CHAIRMAN WITT** asked how MAC reviews funds that "fall through the crack" via line items. MAC operates under a strategic plan or in a fluid manner and has not had an opportunity to report such funds. **CHAIRMAN WITT** asked about the relationship between MAC and the increase in Bed Tax. According to **Ms. Fishbaugh**, Bed Tax is specifically associated with Travel Montana and MAC has not been approached to work in conjunction with heritage legislation. However, MAC has indicated an interest in equal appropriation for arts and heritage support in "cultural tourism". Currently work in this area has been limited and "work needs to be done."

In closing, **Ms. Beckert-Graham** of the Office of Budget and Program Planning, would agree with the LFD comment on DP 1-Computer Equipment to recommend making it a one-time-only line item appropriation.

**ADJOURNMENT**

Adjournment: 10.00 A.M.

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REP. JOHN WITT, Chairman

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CAYENNA JOHNSON, Secretary

JW/CJ

**EXHIBIT** (jeh06aad)